STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

ILLINOIS BELL TELEPHONE COMPANY	)	
	)	**ICC Docket No. 00-0393**
Proposed Implementation of High FrequencyPortion of Loop (HFPL)/Line Sharing Service	)	

AT&T'S PROPOSED HEARING EXAMINER'S PROPOSED ORDER

I. PROCEDURAL BACKGROUND

On April 21, 2000, Illinois Bell Telephone Company ("Ameritech") filed its Ill. C.C. No. 20, Part 19, Section 2, 4th Revised Sheet No. 1, 2nd Revised Sheet No. 6, 3rd Revised Sheet No. 7, 2nd Revised Sheet No. 8, 3rd Revised Sheet No. 9, 1st Revised Sheet Nos. 10-12, and Original Sheet Nos. 13-38, collectively known as Ameritech's proposed "High Frequency Portion of Loop (HFPL)/Line Sharing Service" tariff. On June 1, 2000, the Commission entered an Order suspending the tariff and directing an investigation of the propriety of the proposed implementation of the High Frequency Portion of Loop (HFPL)/Line Sharing Service tariff.

Subsequently, several parties, including AT&T Communications of Illinois, Inc. ("AT&T"), Sprint Communications L.P. ("Sprint"), Rhythm Links Inc. ("Rhythms"), Covad Communications Company ("Covad"), WorldCom Inc. ("MCI"), Focal Communications of Illinois ("Focal"), and a consortium of other CLECs, which refers to itself as the "CLEC Coalition," among others, filed petitions for leave to intervene, all of which were granted.

Pursuant to notice, various prehearing conferences and status hearings were held before a duly authorized Hearing Examiner of the Commission in Springfield, Illinois. Evidentiary hearings were held in Springfield, Illinois on October 16-19, 2000. At the conclusion of the October 19, 2000, evidentiary hearing, the record was marked "Heard and Taken".

II. REGULATORY BACKGROUND OF THE PROCEEDING

The High Frequency Portion of Loop (HFPL)/Line Sharing Service tariff was filed by Ameritech in alleged compliance with the FCC's Order dated December 9, 1999 in CC Docket Nos. 98-147 and 96-98, which required all ILECs, including Ameritech, to make line sharing available in its service territory. *See* FCC's Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98, FCC 99-355, rel. December 9, 1999 ("Line Sharing Order").

III. LINE SPLITTING OVER UNE-P LOOPS

A. AMERITECH'S HFPL TARIFF

AT&T's Position

In support of its positions, AT&T offered the testimony of Steven E. Turner heads the telecommunications consulting firm Kaleo Consulting. Mr. Turner testified on the need for tariff language that requires Ameritech to provide access to the high frequency spectrum (HFS) portion of an unbundled loop to a UNE-P voice provider. He noted that this "line splitting" option is not currently offered by Ameritech in its "High Frequency Portion of Loop (HFPL)/Line Sharing" tariff, despite the FCC's requirement that all ILECS have an obligation to permit CLECs to engage in "line splitting" over the UNE-P. See FCC's Texas 271 Order dated June 30, 2000, ¶325. Mr. Turner noted that Ameritech refuses to permit AT&T to provide xDSL service on the loop that it has purchased as part of the UNE-P. Mr. Turner noted that it is important to bear in mind that AT&T is not requesting access to the high-frequency spectrum of the loop as a separate unbundled network element, in accordance with the Line Sharing Order. See FCC's Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in CC Docket No. 96-98, FCC 99-355, rel. December 9, 1999. Rather, Mr. Turner testified that AT&T's objective is to exercise its pre-existing right to utilize all the capabilities of the loop that it has already purchased, including the capability to provide xDSL service. *See* 47 C.F.R. 51.307(c). Ameritech's failure to give CLECs the right to do so in its "High Frequency Portion of Loop (HFPL)/Line Sharing" tariff is a plain violation of the Telecommunications Act of 1996 ("1996 Act"). AT&T Ex. 1.0, pp. 4-3.

Moreover, Mr. Turner testified that SBC provides itself, and in connection with the implementation of the Line Sharing Order has agreed to provide to carriers seeking to offer only ADSL service over Ameritech's voice service, the ability efficiently to combine voice and ADSL service over the existing, functioning loop. Ameritech's refusal to permit AT&T to obtain the same capability for a UNE-P loop – particularly when the technical procedures to enable AT&T to do so are exactly the same as Ameritech will use for itself or the data CLECs – is a blatant violation of Sections 201 and 251 of the 1996 Act. AT&T Ex. 1.0, pp. 4.

Mr. Turner testified that Ameritech's refusal to cooperate with CLECs who seek to add xDSL capabilities to the combination of network elements known as UNE-P is competitively significant because, even though xDSL is certainly important as a standalone service, particularly for some business customers, the greater public policy concern is that SBC is exploiting the growing consumer demand for high-speed data services over existing voice lines to undermine competition for such services throughout the residential market. In particular, it is increasingly apparent that a CLEC's ability to offer xDSL service has a powerful effect on its ability competitively to provide residential customers voice services and "bundles" of voice and data services. Even if Ameritech fixes any recurrent problems in provisioning stand-alone xDSL-capable loops *and* properly implements the requirements for line-sharing with data-only CLECs, that would do *nothing* to address the key issue: SBC is aggressively pursuing a strategy calculated to ensure that SBC – and no one else – can offer "all the pieces" that consumers want. Instead of "one-stop shopping," the result will be one shop stopping the competition that could otherwise occur in Illinois. AT&T Ex. 1.0, pp. 4-5.

Regarding the arrangements that AT&T is seeking, Mr. Turner noted that, as a preliminary matter, it is important to distinguish among three distinct competitive xDSL-related strategies, all of which are covered by Section 251 of the federal Telecommunications Act of 1996. *First*, Mr. Turner pointed out that there is the use of stand-alone, or "second," loops by carriers that want to provide data service only. For the most part, this is economically viable only in portions of the business market. *Second*, there is the use of the customer's existing loop by data CLECs who seek to provide data but not voice service. This is called "line sharing." *Third*, there is the use of the customer's existing loop by a CLEC to provide (either by itself or in conjunction with a cooperating carrier), both voice and data service, which the FCC refers to as "line splitting". In its Order dated June 30, 2000 in the Texas 271 Proceeding, CC Docket No. 00-65, the FCC expressly concluded that ILECs have an obligation to permit CLECs to engage in line splitting over the UNE-P. AT&T Ex. 1.0, pp. 5-6.

Mr. Turner testified that, effectively, Ameritech appears intent on requiring AT&T to either disconnect the existing UNE-P arrangement, or alternatively, to use a second line to provide voice and data services, rather than enable AT&T to use the line it has already purchased as part of the UNE-Platform. This is no "solution" to anything but rather a collateral attack on the usefulness of UNE-P as a competitive market entry mechanism. For most customers, especially in the residential market, this proposal is inconvenient, inefficient, and uneconomic. The FCC has expressly acknowledged this in its Line Sharing Order. SBC, however, has refused (i) to permit AT&T access to the architecture it makes available to its separate affiliate and data-only CLECs, (ii) to agree to other arrangements that permit AT&T to provide voice and data services over the same loop in a nondiscriminatory manner relative to itself, and (iii) to cooperate in negotiating ancillary administrative processes. AT&T Ex. 1.0, pp. 6-7.

Mr. Turner pointed out that the 1996 Act and the Commission's implementing rules require Ameritech to provide nondiscriminatory access to the local loop, including all of its features, functions and capabilities. *See, e.g.*, 47 U.S.C. §§ 251(c)(3);

271(c)(2)(B)(ii), (iv); 153(29) (defining "network element" to include "features, functions, and capabilities that are provided by means of such [network element]"). Since August 1996, Ameritech, like all other incumbent LECs, has been under an obligation to provide unbundled access to loops capable of transmitting digital signals, such as xDSL. Local Competition Order ¶ 380. Additionally, Ameritech is required to "take affirmative steps to condition existing loop facilities to enable requesting carriers to provide services not currently provided over such facilities . . . such as ADSL." Id. ¶ 382 (emphasis added). The FCC has consistently reaffirmed these fundamental requirements, most recently in the BA-NY Order and the UNE Remand Order. *See* BA-NY Order ¶ 271; UNE Remand Order ¶¶ 166-67. AT&T Ex. 1.0, p. 7.

All AT&T seeks, Mr. Turner emphasized, is access to the same network capabilities – and to the same efficiencies and reliability – that result when Ameritech provides voice and data in conjunction with AADS (its advanced services affiliate) or shares its loop with a data CLEC. Whether AT&T deploys all of its own assets (digital subscriber line access multiplexers ("DSLAMs") and other packet switches) to provide advanced services or obtains those capabilities through voluntary commercial arrangements with a third party, what AT&T needs is simple: access to the same configuration, functionalities, and support Ameritech provides when other carriers, whether AADS or data CLECs, decide not to compete for Ameritech's voice services on that loop. AT&T Ex. 1.0, pp. 7-8.

Moreover, AT&T pointed out that Ameritech concedes that it is technically feasible to provide "line splitting" to UNE-P CLECs; indeed, there is no technical or engineering difference between provisioning line sharing and line splitting. By failing to make "line splitting" available to UNE-P voice providers, according to AT&T, Ameritech is unlawfully hindering AT&T and other new entrants from providing advanced services even as SBC is aggressively and successfully deploying its own advanced services throughout Illinois. In fact, AT&T noted that several state arbitration panels have already required SBC and/or Ameritech to provide line splitting to UNE-P CLECs, including those in Texas, Oklahoma, Michigan and Wisconsin (Tr. 478-479). AT&T Initial Brief, pp. 3-4.

B. THE COMPETITIVE LANDSCAPE REQUIRES THAT AMERITECH OFFER LINE SPLITTING SO THAT UNE-P CLECS CAN MEANINGFULLY COMPETE WITH SBC-AMERITECH'S BUNDLE OF VOICE AND ADVANCED SERVICE OFFERINGS.

AT&T's Position

Mr. Turner testified that Ameritech has precluded CLECs from offering a competing voice/DSL package to residential customers using the UNE-platform. This action by SBC has positioned it to take advantage of the new marketplace reality that a growing number of consumers, especially the ones most desirable from the standpoint of

a carrier, seek more than just voice service. Mr. Turner noted that if SBC remains the only carrier that can supply "all the pieces" that consumers want and need, the prospects for competition will necessarily dim. AT&T Ex. 1.0, pp. 26-27.

Mr. Turner pointed out that the DSL market is set to explode from 300,000 lines in 1999 to 2.5 million lines by the end of this year. This exponential growth is due, in large part, to consumer demand for increasing speeds of Internet access. It is also due in part to SBC's aggressive pursuit of a strategy calculated to ensure that SBC – and no one else – can offer "all the pieces" that consumers want. Mr. Turner noted that SBC's Project Pronto initiative is designed to maintain its first-mover advantage and to further SBC's well-documented efforts to smother competition. SBC has announced that it is spending $6 billion to ensure that, by year-end 2002, 77 million customers in its service territories will be able to order bundled local voice and high-speed data services from SBC. SBC's plans call for it to sell and install a million DSL connections by the end of this year, up from 139,000 on January 1, 2000. By year-end 2001, SBC's Chairman and Chief Executive Officer Edward Whitacre estimates, SBC will capture 2 million DSL customers. AT&T Ex. 1.0, p. 27.

Mr. Turner testified that the role of DSL deployment in SBC's strategy is best illustrated through SBC's efforts in Texas. In the six-month period from October 1999 through March 31, 2000, SBC received more than 36,000 orders for DSL service in Texas. SBC 4/21 Ex Parte Letter (report on PM 58-09). In March, SBC received an average of more than 500 orders for DSL service in Texas per business day. *Id*. Extrapolating (conservatively) from SBC's current DSL statistics in the Texas marketplace through the remainder of the year, Mr. Turner estimated that SBC will capture about 300,000 Texas DSL subscribers by the end of 2000. At this pace, SBC can expect to receive at least 2700 requests for DSL service in Texas per business day in the month of December 2000. If one reasonably assumes that SBC's DSL market in Texas will experience a growth rate that is proportional to Chairman Whitacre's expectations for region-wide DSL subscribership, SBC will have captured approximately 600,000 DSL subscribers in Texas by the end of 2001. AT&T Ex. 1.0, pp. 27-28.

SBC's rapid deployment of advanced services, according to Mr. Turner, gives it a huge first-mover advantage in the residential marketplace. He pointed out that as SBC's own data shows, it is SBC, and not the CLECs, that is "cleaning [everybody else's] clocks" in Texas. Currently, nine out of every ten DSL subscribers in SBC's territory in Texas receives their DSL service from SBC. SBC 4/21 Ex Parte Letter (report on PM 58-09). In March, SBC received more DSL orders in 4 days than all other DSL providers, combined, received for the entire month. *Id.* Even more significantly, Mr. Turner noted that every customer that receives both DSL and voice service over a single loop in SBC's territory in Illinois currently receives his or her voice service from SBC – and SBC continues not to cooperate with UNE-P carriers who threaten SBC's voice monopoly. Thus, SBC continues to be uniquely positioned to serve millions of Illinois homes with bundles of voice and advanced services. AT&T Ex. 1.0, pp. 28-29.

In light of these statistics, Mr. Turner opined that it is not difficult to understand why SBC has denied, and continues to deny, AT&T the ability to satisfy consumers' demand for bundled voice and advanced services via UNE-P. He noted that it is certainly not a matter of technology limitation or lack of efficient operational processes. As discussed above, the feasibility of adding ILEC-deployed splitters, with minimal interruption of voice service, is beyond dispute. Indeed, this is what SWBT will do for data CLECs that wish to line-share. Rather, it is a matter of simple economics. SBC clearly recognizes the demand for advanced service capabilities, as well as the need to engineer a considerable "first-mover" advantage. SBC also recognizes the strategic significance of providing "one-stop shopping" for the range of services that consumers want and expect. AT&T Ex. 1.0, p. 29.

1. AT&T Is Entitled To All Features, Functions And Capabilities Of The Loop, Including The HFPL.

AT&T maintains that when a CLEC purchases the UNE-Platform from an ILEC to serve a customer, it purchases, among other network elements, an unbundled local loop. By obtaining the loop UNE, the CLEC is entitled to receive access to the full features, functions, and capabilities of that unbundled loop so that it has a meaningful opportunity to compete with the ILEC and provide the customer with data, as well as voice, services. In support of its position, AT&T points out that TA 96 itself defines the term "network element" to include all "features, functions, and capabilities that are provided by means of such [network element]." 47 U.S.C. § 153(29); 47 C.F.R. § 51.307(c). The Act also requires Ameritech to provide "nondiscriminatory access" to its network elements so that CLECs can provide the "telecommunications service" they seek to offer. 47 U.S.C. § 251(c)(3); *see also* 47 U.S.C. § 251(d)(2).

AT&T notes that beginning with its Local Competition Order and as recently as its New York 271 Order, the FCC has held than an ILEC "must also provide access to any functionality of the loop requested by a competing carrier unless it is not technically feasible to condition the loop facility to support the particular functionality requested." *See* New York 271 Order, ¶ 271; s*ee also* Local Competition Order, ¶ 381. Further, the Texas Arbitration Panel in the arbitration between AT&T and Southwestern Bell Telephone Company ("SWBT") recently endorsed this view: "The Arbitrators agree with AT&T that it is purchasing all capabilities of the loop including the low and high frequency spectrum portion of the loop when it purchases the unbundled loop in combination with the switch port or the unbundled network element platform (UNE-P). As noted by AT&T, in the FCC's *Line Sharing Order* the FCC defined the high frequency portion of the loop as a capability of the loop. In order to gain access to the high frequency portion of the UNE loop, line splitting is required." Petition of Southwestern Bell Telephone Company for Arbitration with AT&T Communications of Texas, L.P., etc., Docket No. 22315, Public Utility Commission of Texas, Revised Arbitration Award (September 27, 2000)(hereinafter "Revised Arbitration Award") at 18-19. This Revised Arbitration Award has been admitted into the record as AT&T Schlackman Cross Ex. 1.0.

AT&T also points out that ILECs must provide unbundled access to loops capable of transmitting digital signals, such as xDSL. Local Competition Order, ¶ 380. And in so doing the ILEC may not impose "limitations, restrictions, or requirements on requests for, or the use of unbundled network elements that would impair the ability of a requesting telecommunications carrier to offer a telecommunications service in the manner the requesting telecommunications carrier intends." UNE Remand Order, ¶ 167; 47 C.F.R. § 51.309(a). Accordingly, in implementing line splitting, SBC/Ameritech must not be allowed to: (1) render UNE-P based voice service more cumbersome or costly to order; (2) require UNE-P CLECs to reorder or replace the UNEs used to provide UNE-P based service; (3) impose inefficient or unnecessary operational processes or interfaces for ordering and provisioning the UNE-P-based voice service; or (4) change the manner, unless technically unavoidable, in which maintenance, repair and billing functions are currently provided for UNE-P based voice service. In short, any order by this Commission requiring SBC/Ameritech to facilitate line splitting must require it to do so in the most efficient and least disruptive manner from both a technical and systems perspective. AT&T Ex. 1.0, pp. 7-8; AT&T Initial Brief, pp. 7-9.

Further, AT&T notes that the FCC, in its Texas 271 decision, held that AT&T's position on line splitting had *not* been resolved and that it merited prompt consideration. Not only that, in its decision the FCC noted that the entire issue was subject to resolution through further negotiation and arbitration at the state level. SWBT Texas 271 Order, at para. 329. In the recent decision by the Texas Arbitration Panel in the AT&T/Southwestern Bell Telephone Company ("SWBT") arbitration in Texas, the Teexas Arbitration Panel found both that state action need not await action on the part of the FCC and that the Texas PUC has the authority to order nondiscriminatory access to the high frequency spectrum portion of the loop. *See* Revised Arbitration Award (AT&T Schlackman Cross Ex. 1.0), p. 19. Moreover, Ameritech agrees that state commissions have the authority to order line splitting. Tr. 696; AT&T Ex. 2.0, pp. 7-8; AT&T Initial Brief, p. 9.

AT&T emphasizes that not only did the Texas Arbitration Panel find that state commissions have the authority to impose line splitting requirements, but it steadfastly concluded that "sound public policy" requires that SWBT provide AT&T with a UNE loop that is fully capable of supporting any xDSL service, as AT&T had requested. Revised Arbitration Award (AT&T Schlackman Cross Ex. 1.0), p. 19. As they recognized, line splitting and line sharing are virtually the same from a technical standpoint and, if consumers are to benefit from competition, then ILECs must support line splitting as well as line sharing. AT&T Initial Brief, p. 10.

AT&T argues that in order for Ameritech to fulfill its obligation to provide UNE-P CLECs access to the high frequency portion of the loop – which is indisputably a feature, function and/or capability of the unbundled loop (Tr. 697) -- Ameritech must insert a "splitter" on the line to separate the high frequency spectrum of the loop from the

low frequency spectrum of the loop used to provide voice service. Without the splitter, a CLEC providing voice service over an unbundled loop cannot gain access to the high frequency portion of that loop –a pre-existing right it has under the federal Act and the FCC's implementing rules to obtain that feature, function and capability of the loop. Ameritech, according to AT&T, therefore has an obligation to provide line splitting to allow AT&T and other UNE-P CLECs the access to which they are lawfully entitled. AT&T Initial Brief, p. 10-11.

In this regard, AT&T points out that the Texas Arbitration Panel agreed with AT&T that SWBT, Ameritech's sister affiliate, must provide line splitting in order for AT&T to gain access to the HFPL. *See Revised Arbitration Award* (AT&T Schlackman Cross Ex. 1.0), pp. 19-20. ("The Arbitrators agree with AT&T that it is purchasing all capabilities of the loop including the low and high frequency spectrum portion of the loop when it purchases the unbundled loop in combination with the switch port or the unbundled network element platform (UNE-P). . . The Arbitrators find that line splitting is necessary to gain access to the high frequency portion of the loop in order to allow AT&T to take advantage of the full functions, features, and capabilities of the loop. The Arbitrators find, consistent with the *UNE Remand Order*, that excluding the splitter from the definition of the loop would limit its functionality.").

Finally, Mr. Turner testified that ordering Ameritech to provide splitters to the unbundled loops AT&T purchases is required by and consistent with Ameritech's obligations under the AT&T/Ameritech Illinois Interconnection Agreement. This Agreement, in effect until at least January 2002, permits AT&T to use network elements to provide *any technically feasible* feature, function or capability that a network element may provide, and to provide any telecommunications service that can be offered by means of those network elements. AT&T Ex. 2.0, pp. 19-21.

2. The Splitter Is An Integral Part of the Loop; Thus, Ameritech Is Required By Law To Provide It As Part Of The Unbundled Loop

Mr. Turner pointed out that the FCC's UNE Remand Order determined that "attached electronics," with the exception of DSLAMs, are regarded as part of the loop. UNE Remand Order at ¶ 175. What Ameritech fails to note, according to Mr. Turner, is that the splitter is a passive electronic filter that is attached to the loop in order to split or separate signals on the basis of their transmission frequencies. In fact, the functions of frequency splitting and packet switching are entirely different. The splitter enables the low-frequency voice signals on the loop to be directed to a circuit switch and the high-frequency data signals on that loop to be delivered to a packet switching network (including DSLAMs). In contrast, packet switching refers to protocols in which messages are broken up into small packets before they are sent. Each packet contains header information about the source, destination, sequencing, etc., that governs the process in which packets of information are independently transmitted from point to point between source and destination and reassembled into proper sequence at the destination. A splitter is incapable of reading a header, or even of distinguishing between analog and

digital transmissions, and does not implement routing instructions based upon transmitted information from the customer. The fact that a splitter can, as a matter of design convenience, be combined with a DSLAM does not mean that stand-alone splitters are involved in packet switching. AT&T Ex. 1.0, pp. 14-15.

Mr. Turner testified that Ameritech asserts that AT&T should not be entitled to the splitter functionality because splitters "are deployed exclusively to provide advanced services over a customer's existing loop" (Auinbauh Section 271 Supp. Reply Aff. ¶ 8). This rationale is flawed. The FCC has repeatedly recognized that the splitter is used not only to isolate data signals traversing the loop, but also to separate the voice signals for routing to the local carrier's voice switch. As described by the Commission in the Line Sharing Order, "[a] splitter bifurcates the digital *and voiceband* signals concurrently traversing the local loop, *directing the voiceband signal through a pair of copper wires to the Class 5 switch*, and directing the digital traffic through another pair of cooper wires to a DSLAM attached to the packet-switched network." Line Sharing Order ¶ 66 (emphasis supplied). Thus, unlike the DSLAM, which is used "exclusively to provide advanced services," the splitter plays an essential role in modifying the local loop to permit the delivery of both voice and advanced services over a single loop. AT&T Ex. 1.0, p. 15.

Mr. Turner pointed out that SBC and Ameritech-- of all parties -- should recognize this distinction, given the care the FCC took in the SBC/Ameritech Merger Order to differentiate between equipment used entirely for advanced services and splitters used for both voice and data. That order permitted SBC's ILECs to transfer DSLAMs to their "separate affiliate" and also to transfer other equipment that is used solely to provide data services, but it specifically prohibited SBC's ILECs from transferring to their affiliate the splitters used to separate the voice and data signals on a customer's loop.[1] Indeed, SBC has elsewhere invoked the merger order to argue that splitters used to separate voice and data signals are not "advanced services equipment" and are properly the province of the ILEC rather than any separate affiliate.[2] AT&T Ex. 1.0, pp. 15-16.

Further, AT&T points out that the Texas Arbitration Panel, in rejecting the notion that it is appropriate to analogize splitters to DSLAMs, agreed that the addition of a splitter to the UNE loop is no different the other conditioning (including bridge taps and load coils) an ILEC does on its loops. AT&T Initial Brief, pp. 13-14. As the Arbitration Panel correctly noted, a splitter is a piece of passive electronic equipment necessary to access both the voice and data portions of the loop in order to provide an end user customer with both voice and xDSL service, and that "excluding the splitter from the definition of the loop would limit its functionality." Texas Revised Arbitration Award, p. 20.

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1 See SBC/Ameritech Merger Order ¶ 365 & n.683, App. C at ¶ 3(d).

2 Letter from Paul K. Mancini, SBC, to Carol E. Mattey, FCC, CC Docket No. 98-141, at 2-3 (June 2, 2000).

3. Line Sharing And Line Splitting Are Technically Identical; Thus, There Is No Legitimate Technical Impediment To Line Splitting.

AT&T explains that advanced data services are offered through the use of xDSL technologies, which take advantage of the ability to split a loop into separate high frequency and low frequency components. As AT&T noted earlier, the low-frequency portion is used to provide voice services, and the high frequency portion may be used for high-speed digital data services. The xDSL technologies are uniquely capable of supporting efforts to provide voice and high-speed Internet access efficiently to customers over the existing wireline loop infrastructure. AT&T Initial Brief, p. 14.

From a technical viewpoint, Mr. Turner emphasized, "line sharing" and "line splitting" are identical, and equally feasible. *See* AT&T Ex. 1.0, pp. 7-8, 14, 19-21, 25. In fact, Mr. Turner explained that the network configuration AT&T is requesting for line splitting is the *same* configuration SBC-Ameritech employs for line sharing with an Ameritech-owned splitter. AT&T Ex. 1.0, p. 23. *See also* Ameritech Illinois Ex. 1.0, Sch. BS-2. Operationally, then, according to AT&T, Ameritech Illinois would provide line-*splitting* HFPL access on a UNE loop in much the same way it provides line-*sharing* with data CLECs when Ameritech Illinois provides the underlying local voice service. AT&T Ex. 1.0, pp. 7-8, 14, 19-21, 23, 25. In either case, Mr. Turner testified, the customer's loop would come into the MDF. From there, Ameritech Illinois would connect the loop to a splitter located near (or on) the MDF to separate the low-frequency voice and high-frequency spectrum. The transmissions in the voice frequency are separated by the splitter and returned to an MDF appearance where it is cross-connected to the Ameritech Illinois switch port. The transmissions in the high frequency spectrum of the loop (i.e., the data signals) are also separated by the splitter terminated at a frame appearance and then cross-connected to a DSLAM. Tr. 460-461; AT&T Ex. 1.0, p. 14. Thus, regardless of who provides the voice service (or for that matter the data services), the equipment required and the manner in which it is connected to provide access to the HFPL of the loop are the same. AT&T Initial Brief, 14-15.

AT&T maintains that the salient distinction between line splitting and line sharing is not technical but rather that, under line splitting, Ameritech Illinois is *not* the voice provider. In line splitting, a CLEC such as AT&T acquires the loop as a UNE (i.e., via the "UNE-P" arrangement), and in turn provides both the voice and data services, either by itself or in conjunction with a data carrier. Mr. Turner testified that SBC's own submissions to the FCC demonstrate that SBC can and will provide precisely the same equipment configuration AT&T requests here for line splitting when the requesting carrier does not seek to compete for the voice services that SBC provides over the loop. AT&T Ex. 1.0, pp. 10-11. Indeed, AT&T points out that SBC-Ameritech witness Ms. Schlackman candidly agreed that there are no engineering or technical differences why AT&T's requested line splitting configuration using an ILEC-owned splitter cannot be implemented. Tr. 467. Thus, AT&T concludes that there is no technical impediment to

AT&T's line splitting request, and the Commission should require Ameritech to implement it. AT&T Ex. 1.0, pp. 7-8, 14, 19-21, 23, 25.

In fact, AT&T notes, the addition by Ameritech of a stand-alone splitter to the loop is akin to the conditioning of loops for DSL service, which the ILEC is required to do. Adding a splitter to a loop involves procedures that are analogous, in all relevant technical respects, to the adding or removing of other loop electronics (such as bridge taps or load coils) that incumbent LECs routinely provide and are obligated to provide as part of loop conditioning. AT&T Ex. 1.0, pp. 16-17; AT&T Ex. 2.0, p. 15. AT&T points out that in the Revised Arbitration Award in Texas, the arbitrators found that the addition of a splitter is like the other conditioning an ILEC does on its loops. Revised Arbitration Award (AT&T Schlackman Cross Ex. 1) at 18-21; AT&T Initial Brief, p. 16.

4. Ameritech Should Provision Splitters On a Line-At-A-Time Basis, At A Minimum.

Mr. Turner testified that encompassed within line splitting are issues involving the basis on which splitters are provided and provisioned. Accordingly, Mr. Turner testified that Ameritech should, at a minimum, be required to offer splitters on a "line at a time" basis, as it does in the case of data CLECs, and under a provisioning option that does not require collocation. AT&T Ex. 1.0, p. 11-12. Further, AT&T contends that when Ameritech leases an Ameritech-owned splitter to AT&T, Ameritech Illinois should place the splitter as near as possible to the Main Distribution Frame (MDF) in each central office so as to minimize cabling costs. This proposal represents efficient engineering practice because, first of all, cabling is more costly than the splitters. Moreover, placing the splitters near the MDF eliminates additional potential points of failure and minimizes the loss and interference that can occur in the voice and data paths, thus increasing the quality of service. AT&T Initial Brief, pp. 16-17.

5. Ameritech's Failure To Provide Line Splitting Imposes Unnecessary Collocation Requirements, Is Discriminatory And Is Competitively Crippling.

Mr. Turner noted that Ameritech provides itself, and in connection with the implementation of the Line Sharing Order has agreed to provide to carriers seeking to offer only xDSL service over Ameritech's voice service, the ability to efficiently combine voice and xDSL service over the existing, functioning loop. AT&T Ex. 1.0, p. 4.

Ameritech, Mr. Turner testified, has taken and remains able to take full advantage of line sharing. If one of its voice customers wants to add DSL service to the loop, the customer can do this cheaply, efficiently and without fear of losing his or her voice service. As it stands, if a voice customer wants to add DSL service to his or her line, this voice customer likely has no choice for its voice service other than Ameritech. Ameritech has provided itself with the ability to engage in line sharing with its own data

affiliate and with other CLECs, but it has refused to enable voice CLECs using UNE-P efficiently to add their own (or a cooperating data CLEC's DSL) capabilities through line splitting. AT&T Initial Brief, p. 17.

AT&T contends that Ameritech's refusal to permit AT&T to obtain the same capability for a UNE-P loop – particularly when the technical procedures to enable AT&T to do so are exactly the same as Ameritech will use for itself or the data CLECs – is a blatant violation of Sections 201 and 251 of the federal Telecommunications Act of 1996. AT&T Ex. 1.0, pp. 4-5, 11. Moreover, denying AT&T access to the data capabilities of the loop when AT&T provides local service using UNE-P is discriminatory relative to Ameritech Illinois' dealings with data CLECs, and materially affects the ability to use UNE-P as a local market entry strategy for the consumer mass market. AT&T Ex. 1.0, pp. 4-5, 11, 24-25; AT&T Ex. 2.0, pp. 16-17. In short, Ameritech Illinois' denial of line splitting is unreasonable and discriminatory and therefore unlawful. *See* Revised Arbitration Award (AT&T Schlackman Cross Ex. 1) at 21.

a. Ameritech's "Rip-It-Apart" Proposal For Adding Advanced Services For An Existing UNE-P Voice Customer Imposes Unnecessary And Costly Requirements, Including Collocation.

AT&T notes that there is no dispute that in a line sharing context, the data CLEC must collocate a DSLAM in its collocation space. In those central offices in which Ameritech voluntarily agrees to provide the splitter, however, the data CLEC is not required to collocate a splitter, but can use an Ameritech splitter to engage in line sharing. In fact, Ameritech has already provisioned at least 57,000 splitters throughout Illinois (Tr. 457), and has provisioned splitters in every central office in which a data CLEC has requested one. Tr. 458. Thus, no data CLEC is required to self-provide a splitter to engage in line sharing, and no data CLEC is required to collocate a splitter to engage in line sharing. Thus, Ameritech's HFPL tariff does not require that the splitter be collocated by the advanced services provider in the line sharing context. AT&T Initial Brief, p. 18.

AT&T explains that Ameritech does, however, require collocation of the splitter in the line splitting context, despite the fact that the network configuration for line splitting is identical to the network configuration for line sharing with an ILEC-owned splitter. Tr. 705-707; 724. When AT&T or another UNE-P voice provider seeks to access the high frequency portion of its loop, Ameritech requires that the splitter be collocated, either by the UNE-P voice provider or by the data CLEC. As SBC-Ameritech witness Ms. Chapman testified, the process a UNE-P voice provider would need to go through to add advanced services to an end user's account – even assuming the same loop can be used, which is not guaranteed (Tr. 708) – requires AT&T to disconnect its UNE-P arrangement and establish a new arrangement involving multiple steps, including

collocation, loop qualification inquiries, multiple local service requests for network elements and cross connections, and exact coordination between and among all the steps to ensure that the end user's service is not interrupted. Tr. 705-715. See also AT&T Ex. 1.0, p. 22. As SBC-Ameritech Ms. Chapman admitted, if the data CLEC does not already have a collocated splitter, under Ameritech's proposal, a UNE-P voice provider would have no choice but to begin at square one by establishing a collocation arrangement with Ameritech to collocate the splitter in order to provide both voice and data service to the end user customer. Tr. 724. As Ms. Chapman also conceded, many data CLECs do not, in fact, collocate their own splitters. Tr. 724; AT&T Initial Brief, p. 19.

AT&T maintains that, as the Texas Arbitration Panel has already found, Ameritech's failure to provide the splitter in the line splitting context – instead requiring the UNE-P voice provider to provide and collocate it – will "severely limit[] the number of data CLECs with which a UNE-P provider can partner in order to offer advanced services," which "could prove to be crippling from a competitive standpoint." Revised Arbitration Award, pp. 21-22. This undue cost and delay will undeniably impede UNE-P voice providers from competing with SBC-Ameritech's aggressive DSL strategy and its Broadband Service offerings, all of which require collocation. Tr. 737-738; AT&T Initial Brief, p. 18-19.

AT&T emphasizes that there is no valid technical or operational basis for Ameritech's discriminatory practice of requiring collocation and imposing its other inefficient provisioning restrictions for line splitting – restrictions and requirements it does not impose for line sharing. Nonetheless, Ameritech's position would require the CLEC to purchase collocation space in every central office, add line splitters, and order and combine loops and switch ports in an uncoordinated manner in order to gain access to the HFPL. This collocation restriction – reminiscent of its insistence on collocation even in order to combine UNEs that are ordinarily combined in Ameritech Illinois' network – is needlessly costly and inefficient. AT&T Initial Brief, p. 20. *See* Texas Revised Arbitration Award, p. 22 ("The evidence in this case shows that SWBT's proposal requiring UNE-P CLECs to collocate in order to gain access to the high frequency portion of the loop, (1) unnecessarily increases the degree of coordination and manual work and accordingly increases both the likelihood and duration of service interruptions; (2) introduces unnecessary delays for space application, collocation construction, and splitter installation; and (3) unnecessarily wastes central office and frame space.").

AT&T contends that Ameritech's collocation requirement would have the same competition-stifling effect in Illinois as it was demonstrated to have in Texas. AT&T Ex. 1.0, pp. 22-23 (discussing the same unnecessary, costly and anticompetitive concerns as expressed by the Texas Arbitration Panel). In addition, it would, as a practical matter, delay or preclude a provider from using the UNE-Platform to provide voice and advanced data services, increase costs for a major potential (and independent) competitor and likely reduce the size of the market a UNE-P competitor could efficiently address. Ameritech Illinois' position would give it a persistent and profound competitive advantage in cost and efficiency in the provisioning of such service combinations. Indeed, according to

AT&T, it would not only constrain competition for advanced services, it would also jeopardize any emergent competition for voice service. AT&T Initial Brief, p. 21.

b. Ameritech's Proposed "Rip-It-Apart" Approach Could Likely Cause Unnecessary And Extended Service Disruptions.

Mr. Turner testified that Ameritech's proposed approach involves coordination of the following procedures, at a minimum: (1) disconnection of the UNE-P; (2) connection of the loop to collocation; (3) connection of the switch port to collocation; and (4) associating the switch port with shared transport, which involves the submission and coordination of multiple local service requests. AT&T Ex. 1.0, pp. 20-21, 23. SBC-Ameritech witness Ms. Chapman confirmed the necessity of engaging in these multiple steps under Ameritech's proposal. Tr. 705-715; Ameritech Illinois Ex. No. 7.0, pp. 27-28. If any of these steps becomes disassociated from the others, or is processed at a different time than the others, the customer will suffer from myriad potential problems, including loss of service. AT&T Ex. 1.0, pp. 21-24. Not only is this "rip-it-apart" approach costly, burdensome and unnecessary and therefore undesirable to UNE-P voice providers; it is also undesirable to data CLECs who, by choosing to collocate a splitter, take on the added responsibilities of monitoring the quality of voice service – which it is not providing – and gratuitously ensuring that it is properly maintained. Tr. 569. As AT&T discussed above and as the Texas Arbitration Panel found, the collocation requirement only serves to increase both the likelihood and duration of these service interruptions. AT&T Initial Brief, p. 21.

c. Ameritech's "Rip-It-Apart" Approach Is Not Only Unnecessarily Costly And Inefficient, But Also Discriminatory And Competitively Crippling.

AT&T witness Mr. Turner testified at length regarding why Ameritech's willingness to provide the splitter for line sharing but not for line splitting is discriminatory and will severely hamper the ability of AT&T and other UNE-P CLECs from providing a bundle of voice and data services to end users in competition with SBC-Ameritech in a costly and efficient manner. AT&T Ex. 1.0, pp. 3-5, 21-29; AT&T Ex. 2.0, pp. 5-6, 15-19. Further, AT&T notes that the Texas Arbitration Panel agreed with AT&T that it is discriminatory for SWBT to provide the splitter in a line sharing context while not providing the splitter in a line splitting context, stating that "SWBT's policy will have the effect of severely limiting the number of data CLECs with which a UNE-P provider can partner to offer advanced services" which, the Panel determined, "could prove to be crippling from a competitive standpoint, especially if ASI, SWBT's DSL affiliate, has no obligation to continue providing advanced services to a customer who is using AT&T as its voice provider." Revised Arbitration Award, Schlackman Cross Ex. 1, pp. 21-22. The discriminatory effect Ameritech's proposal will have in Illinois will be

no less severe, according to AT&T, especially given the fact that Ameritech, like SWBT, has stated that it does not intend to continue to provide advanced services to a customer who switches to AT&T or, for that matter, any other CLEC as its voice provider. Ameritech Illinois Ex. No. 7.0, Chapman Rebuttal, pp. 30-31; AT&T Initial Brief, pp. 22-23.

In short, AT&T maintains that the Commission to order that Ameritech Illinois be required to provide AT&T and other UNE-P CLECs with the reasonable and nondiscriminatory functionalities and processes it has requested to access the high frequency spectrum of the loop. Specifically, Ameritech should be required to make available a splitter option under which Ameritech would own and deploy splitters for AT&T on a line-at-a-time basis. AT&T urges this Commission to unambiguously reject Ameritech's collocation requirement and, instead, it should adopt AT&T's position with respect to the placement of splitters in Ameritech Illinois' central offices. As AT&T demonstrated above, there is no legal, technical or operational justification for Ameritech Illinois' position. AT&T Initial Brief, p. 23.

C. AMERITECH SHOULD BE REQUIRED TO PROVIDE THE REQUISITE OPERATIONS SUPPORT SYSTEMS TO SUPPORT LINE SPLITTING.

With respect to Operations Support Systems ("OSS"), for line splitting, AT&T maintains that Ameritech Illinois should make available full access to the OSS necessary to support line splitting. Provisions to support pre-ordering and ordering for line splitting must of course be nondiscriminatory and provide for a meaningful opportunity to compete. Ameritech, according to AT&T, must provide AT&T with all necessary information to identify the locations where Ameritech-deployed splitters are available and any associated equipment information necessary to determine if the splitters are compatible with the advanced services deployment planned by AT&T or its authorized advanced service providers, or ASPs. The implementation of nondiscriminatory ordering procedures includes the necessity of Ameritech providing complete documentation and technical assistance necessary for AT&T to understand order format, information content, business rules and all system/network interface requirements necessary for AT&T to access the high frequency spectrum of the loop and to accomplish adds, deletes, moves or changes of service. AT&T Ex. 1.0, p. 26. AT&T emphasizes that each of these types of transactions should be capable of being accomplished using existing UNE-P interfaces with record changes when feasible and should be implemented, wherever possible, so as not to interrupt service. AT&T Initial Brief, p. 23-24.

Establishing non-discriminatory terms and conditions for maintenance and repair are also of paramount importance to AT&T. From a technical perspective, Mr. Turner testified that there are no physical differences between ILEC line sharing and a UNE-P CLEC taking advantage of line splitting, when the ILEC owns and deploys the splitter. Thus, the maintenance procedures should be virtually indistinguishable from those that Ameritech is already providing to its affiliate and data CLECs, and should be provided to a UNE-P carrier in a

nondiscriminatory manner. AT&T Ex. 1.0, p. 25. Thus, AT&T reasons, there is no justification for Ameritech to either withhold or delay support for UNE-P CLECs. AT&T Initial Brief, p. 24.

In sum, AT&T maintains that because Ameritech should be required to make available line splitting as requested by AT&T, it follows that Ameritech should make available full access to the OSS necessary to support line splitting. AT&T emphasizes that the FCC's Local Competition Order, UNE Remand Order, and Line Sharing Order all require that Ameritech Illinois deploy mechanized OSS to support access to unbundled network elements. Local Competition Order, ¶¶ 516-518; UNE Remand Order, ¶ 426; Line Sharing Order, ¶¶ 99-101. Absent adequate provision of automated OSS, AT&T argues that competition on a broad scale cannot develop. *See, e.g., Local Competition Order*, at ¶ 518; AT&T Initial Brief, p. 24-25.

D. AT&T SHOULD BE ALLOWED TO UTILIZE AUTHORIZED VENDORS/ADVANCED SERVICE PARTNERS TO PLACE ORDERS WITH AMERITECH ON AT&T'S BEHALF.

AT&T contends that it and other UNE-P CLECs should be allowed to designate one or more CLEC contractors as AT&T authorized Advanced Service Providers, who would be authorized by AT&T to add, change or delete advanced services capabilities within the HFPL of a UNE-loop ordered by AT&T. AT&T Ex. 1.0, pp. 29-30. In those instances, Ameritech Illinois would be required to establish a separate Bill Account Number (BAN) for the contractor/agent, who would follow agreed to procedures to identify themselves as authorized to access the HFPL. AT&T notes that the use of multiple BANs for an individual carrier is common practice. By establishing a separate BAN for AT&T's "partners," Ameritech Illinois would have a ready means to identify authorized "partners" and the ability to reject activity initiated by other parties. AT&T would be responsible for the service configuration and charges incurred. Unless the AT&T vendor utilized this agreed to methodology, Ameritech Illinois would reject any order that seeks to use, or modify the operation of the UNE loop employed by AT&T. AT&T Initial Brief, p. 25.

AT&T states that it is merely asking that Ameritech assure that no party other than the ones authorized by AT&T be allowed to initiate a change to service provided on an AT&T UNE loop. AT&T emphasizes that its request is nothing out of the ordinary; Ameritech deals with CLECs' third party vendors on a regular basis. AT&T Ex. 2.0, p 18. The Commission should therefore allow AT&T and other UNE-P CLECs to designate authorized "agents" among the data CLECs with whom they may partner in providing packages of data and voice services. This request would not impose any improper or unusual requirement on Ameritech Illinois, and the limiting conditions proposed by Ameritech would adequately protect Ameritech in dealings with "cooperating" CLECs. AT&T maintains that facilitating such arrangements with data

CLECs will increase the competitive choices available to customers and enhance the efficiency with which packages of voice and data services can be offered to them. AT&T Initial Brief, p. 25-26.

E. AMERITECH SHOULD CONTINUE TO PROVIDE ADVANCED SERVICES TO THE END USER WHEN THE END USER MOVES ITS VOICE SERVICE TO A UNE-P CLEC.

AT&T additionally requests that it be able to provide voice services to any customer who elects AT&T or another UNE-P CLEC as their voice service provider, using the same loop Ameritech was using to provide voice services to the customer. When the service is converted from line sharing to line splitting, Ameritech Illinois should not be permitted to discontinue or threaten to discontinue advanced data services to that customer. AT&T agrees to bill the Ameritech Illinois advanced services provider no more than it was being billed by Ameritech Illinois for the same service. Accordingly, data services provided by AADS should continue to provide all existing data services in the HFPL, on a prospective basis, to any customer that chooses AT&T (or any other UNE-P CLEC) as their local service carrier for voice services if the retail customer desires continuation of such service. Unless it is required to continue providing data services in these circumstances, Ameritech would be in a position to include anti-competitive charges in its contracts with its end-users as a deterrent to changing voice providers. AT&T points out that because Ameritech must meet its legal obligation of enabling CLECs to provide both voice and data over a single UNE-P loop, as long as Ameritech is failing to meet this duty by denying its own DSL service to customers who choose AT&T's voice service, Ameritech engages in unreasonable discrimination. AT&T Initial Brief, p.26-27.

Commission Analysis and Conclusion

No party to this proceeding disputes the plain fact that according to the federal Telecommunications Act of 1996 and the FCC rules and orders implementing it, Ameritech is required to provide to all CLECs the full features, functions and capabilities of all unbundled network elements defined by the FCC and, to the extent it adopts additional ones, this Commission, and that the CLECs have the right to use those elements to provide any telecommunications service that can be offered by means of the element. It is likewise undisputed that the high frequency spectrum of the loop (HFPL) is a capability of the loop. As such, UNE-P CLECs such as AT&T are entitled to all capabilities of the loop including the low and high frequency spectrum portions of the loop when they purchase the unbundled loop as part of the UNE-Platform.

We agree with AT&T that the splitter is a passive electronic device that splits the low and high frequency portion of the loop. Unless Ameritech separates the high frequency and low frequency portions of the loop by means of a splitter, it cannot satisfy its obligation to provide a CLEC desiring to access both the high frequency portion of the loop (to

provide data service) and the low frequency portion of the loop (to provide voice service) with the full features, functions and capabilities of the loop to provide voice and xDSL service, both of which are telecommunications services that can be offered by means of the loop element. We therefore conclude that the splitter is ancillary equipment that allows access to that high frequency capacity of the loop, and that excluding the splitter from the definition of the loop would limit its functionality. Specifically, the splitter constitutes the "attached electronics" of the loop necessary to fully access the loop's features, functions and capabilities in order to provide service to end users, consistent with the definition of the unbundled loop adopted by the FCC in its *UNE Remand Order*. We agree with AT&T witness Mr. Turner that adding a splitter to the UNE-loop is no different than adding a circuit enhancing device such as a bridged tap or a load coil to the loop at the central office – something has Ameritech routinely done for itself. Thus, in order to comply with its unbundling obligations, Ameritech is required to provide splitters on a line-at-a-time basis to CLECs providing service using the UNE-Platform so that these CLECs can provide voice service using the low frequency spectrum of the loop and either provide data service themselves using the high frequency spectrum of the loop or partner with a data CLEC to provide data service using the HFPL. We therefore conclude and require that Ameritech provide a splitter on a line-at-a-time basis at the request of UNE-P CLECs to allow them access to the high frequency spectrum of unbundled loops.

Ameritech's refusal to offer line splitting is unacceptable for a number of reasons. First, it is discriminatory because while Ameritech voluntarily provides the splitter to data CLECs desiring to line share with Ameritech when Ameritech provides the voice service, it refuses to provide the splitter when that same data CLEC seeks to partner with a CLEC providing voice service over the UNE-Platform. The record evidence conclusively demonstrates that there is no technical distinction between line splitting and line sharing, as the splitter provides access to the same functionality of the loop in both contexts. Thus, it is technically feasible for Ameritech to furnish and install splitters to gain access to the high frequency portion of the UNE loop when purchased in combination with the switch port. Moreover, we are particularly troubled by the fact that many data CLECs rely upon Ameritech to provide the splitter. As Ameritech's own witnesses testified, Ameritech has already installed over 57,000 splitters in its central offices in Illinois, and has installed splitters in every central office in which data CLECs have requested them. Thus, there is no need and no incentive for a data CLEC to purchase its own splitter. Given the overwhelming demand for advanced services, this could prove to be crippling from a competitive standpoint by severely limiting the number of data CLECs with which a UNE-P voice provider can partner in order to offer advanced services. By requiring Ameritech to tariff line splitting, data CLECs will be able to compete for the HFPL of all capable lines, rather than only those lines for which Ameritech provides the voice service.

Ameritech's refusal to provide line splitting would also impede the rapid deployment of advanced services in Illinois – something this Commission will simply not tolerate. As AT&T witness Mr. Turner testified and as Ameritech's witnesses admitted, Ameritech requires that a data CLEC purchase the entire loop in the event the end user wants to

switch voice service providers from Ameritech to a CLEC. In the event a UNE-P voice provider wants to add data service to an end user's account, Ameritech proposes that the UNE-P CLEC conquer a multi-step process involving expensive and time consuming collocation and multiple service requests, including disconnection of the current UNE-P arrangement. No competitive good can come of Ameritech's proposal. Rather, it will unnecessarily increase the degree of coordination and manual work, with a corresponding increase in the likelihood and duration of service interruptions, and will introduce needless and costly collocation requirements. This is contrary to the right granted to CLECs to provide end-to-end service without being required to own any of its own facilities – a right we confirmed in our Order in ICC Docket Nos. 96-0486/0569, and to the terms and conditions of the current AT&T/Ameritech interconnection agreement, which allows AT&T access to all network element capabilities without having to collocate. In addition, we are also sensitive to the concerns raised by Staff regarding the expense and delay that collocation entails. We agree with AT&T that, based on these unnecessary, costly and potentially service-affecting requirements, Ameritech's proposal significantly prohibits UNE-P providers from achieving commercial volume, and we therefore reject it.

Ameritech's argument that installing the splitter into the loop/port combination constitutes a new combination of network elements prohibited by federal law simply elevates form over substance. Because the splitter is ancillary equipment that allows access to the high frequency spectrum of the loop, its installation into the loop/port combination to separate the frequencies does not constitute a new combination at all; rather, it simply amounts to installing a splitter into the existing combination to enable a CLEC to access the full features, functions and capabilities to which they are entitled, including the high frequency spectrum of the loop. Thus, Ameritech's arguments regarding new combinations are irrelevant and inapposite. We also agree with AT&T that Ameritech's arguments that the *Line Sharing Order* and the *Texas 271 Order* somehow preclude us from ordering line splitting lack merit. The plain language of the *Line Sharing Order* clearly demonstrates that the FCC, while recognizing the merits of AT&T's line splitting proposal, deferred the issue of line splitting given the lack of a well-developed record upon which to base a decision. Moreover, we agree that at the time the FCC issued its *Texas 271 Order*, SWBT was not at that time under an obligation to provide line splitting. That obligation was subsequently imposed upon SWBT in the Revised Arbitration Award issued on September 27, 2000 in the arbitration between SWBT and AT&T. While the FCC has not, to date, required ILECs to provide the splitter in a line splitting context, the FCC has clearly stated that its requirements are the minimum necessary, and that state commissions are free to establish additional requirements. Therefore, not only do we have the authority to require Ameritech to provide the splitter for line splitting, but we conclude that Ameritech cannot meet its unbundling obligations unless it does so.

We are also keenly aware that in its OSS investigation in Wisconsin, Ameritech Wisconsin has voluntarily agreed to provide splitters for both line sharing and line splitting consistent with the recent Arbitration Award in the AT&T/Ameritech Wisconsin arbitration. Ameritech's voluntary agreement to provide line splitting in Wisconsin

seriously undermines the credibility of the numerous arguments Ameritech presents to this Commission as to why we cannot (legally) and should not – practically and as a matter of policy – order it to provide line splitting. We agree with AT&T that it is sound public policy to require Ameritech to provide AT&T and other UNE-P CLECs with a UNE loop that is fully capable of supporting any xDSL service. We conclude that line splitting encourages entrants into the local exchange market, furthers competition within the local market and is consistent with the provisions of the Act.

Because we hereby order Ameritech to tariff line splitting, we also order it to provide the OSS systems necessary to implement it. We also require Ameritech to accept orders from UNE-P CLEC-designated authorized vendors and advanced services partners to add, change or delete advanced services capabilities within the HFPL of a UNE loop ordered by the UNE-P CLEC. Ameritech routinely deals with third party vendors; thus, requiring it to accept HFPL orders from authorized vendors and advanced services partners designated by UNE-P voice providers does not pose an unreasonable burden. Lastly, we require Ameritech to continue to provide data service to the end user in the event the end user moves its voice service to a UNE-P voice provider. This will enhance competition and customer choice by preventing Ameritech from unlawfully tying its data service to its voice service and from threatening to discontinue its data service to dissuade customers from changing voice providers.

IV. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having considered the entire record herein and being fully advised in the premises, is of the opinion and finds that:

(1) Illinois Bell Telephone Company, d/b/a Ameritech Illinois, and all other parties and intervenors in this proceeding are telecommunications carriers as defined by the Illinois Public Utilities Act;

(2) the Commission has jurisdiction over the parties and the subject matter of this proceeding pursuant to the Illinois Public Utilities Act;

(3) on June 1, 2000, we initiated Docket No. 00-0393 to determine whether Illinois Bell Telephone Company's High Frequency Portion of Loop ("HFPL")/Line Sharing Service Tariff is just, reasonable and nondiscriminatory;

(4) it is technically feasible and constitutes sound competitive policy to require Ameritech to tariff line splitting to enable a UNE-P voice provider to access the high frequency spectrum portion of an unbundled loop;

(5) it is sound competitive policy – indeed, a competitive necessity -- to require Ameritech to tariff line splitting so that UNE-P CLECs can meaningfully compete with SBC-Ameritech's bundle of voice and advanced service offerings and achieve commercial volume;

(6) Ameritech is required to provide line splitting in order to meet its obligation to provide access to all features, functions and capabilities of the loop, including the HFPL;

(7) the splitter is part of the attached electronics of the loop and is necessary to fully access the loop's features, functions and capabilities in order to provide service to end users;

(8) it is technically feasible and constitutes sound public policy to require Ameritech to provide the requisite Operations Support Systems to support line splitting;

(9) Ameritech should be required to permit CLECs to designate authorized vendors and advanced service partners to place HFPL orders with Ameritech on behalf of the CLEC;

(10) Ameritech should to continue to provide advanced services to the end user when the end user moves its voice service to a UNE-P CLEC.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that:

1. Ameritech shall revise its High Frequency Portion of Loop ("HFPL")/Line Sharing Service Tariff within 10 days of the effective date of this Order to provide line splitting consistent with our findings and conclusions herein;

2. Ameritech shall provide the requisite Operations Support Systems to support line splitting;

3. Ameritech shall permit CLECs to designate authorized vendors and advanced service partners to place HFPL orders on their behalf consistent with our findings and conclusions herein, and shall include this option in its tariff;

4. Ameritech shall be required to continue to provide advanced services to the end user when the end user moves its voice service to a UNE-P CLEC.

IT IS FURTHER ORDERED that any materials submitted in this proceeding for which proprietary treatment was requested shall be accorded proprietary treatment.

IT IS FURTHER ORDERED that any petitions, objections or motions made in this proceeding and not otherwise specifically disposed of herein are hereby disposed of in a manner consistent with the conclusions contained herein.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

DATED:

Hearing Examiner